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Overview

Introduction   Circumstances often require adjustments to the accumulated balances (e.g., earnings, deductions) stored in the CIPPS Employee and Tax Masterfiles (EMF and TMF). Adjustments to these balances are called Manual Pay Sets and are used for:

- Deduction Refunds/Adjustments.
- Tax Refunds/Adjustments.
- Earnings Reclassifications.
- Adjustments to any accumulated balance involved in the gross-to-net payroll calculation (with the primary exception of garnishments and child support).

Although Manual Pay Sets can affect current pay and EMF/TMF balances, they are only used to adjust balances accumulated from prior pays. Adjustments to current pay only should be processed as Tax/Deduction Overrides, not Manual Pay Sets. See CAPP Topic 50605, *Tax and Deduction Overrides*, for additional information.

Manual Pay Sets   Processed correctly, Manual Pay Sets ensure:

- Balances in the EMF and TMF agree.
- Accuracy of CIPPS gross-to-net balances and W-2 reporting.
- Agency expenditures affected by the gross-to-net calculation are adjusted in CARS.

Manual Pay Sets can be either Paid or Non Paid. The Adjustment Indicator on the transaction line controls whether the pay set is Paid or Non Paid.

The term "refund" is typically used when describing Paid Updates and the term "adjustment" is used when describing Non Paid Updates. Although these terms are used throughout this topic, when the information provided applies to both Non Paid and Paid updates, the more generic "adjustment" term is used.

Overview, Continued

Paid Updates Paid Updates adjust the EMF or TMF <u>and</u> affect employee net pay by adding the adjustment amount to the current employee payment. Examples are:

- Refunds of erroneous employee-paid deductions.
- Refunds of over-withheld taxes resulting from data entry errors.

Paid Updates must be processed in conjunction with a regular payment (i.e., the employee must be receiving some amount as Regular pay). If an adjustment must be made to an employee who is not receiving any Regular pay, a Regular pay transaction of one penny must be entered. This will allow the Paid Update to process.

Non Paid Updates Non Paid Updates <u>only</u> adjust EMF or TMF balances, not pay. Examples are:

Adjustments for…	CIPPS Balances
Over-payments where the agency receives a personal check from the employee for the overage.	Wages are overstated.
Over-deduction of employer-paid deductions where a refund is due the agency.	Deductions are overstated.
Taxable moving and relocation payment made to a third party outside of CIPPS.	Wages are understated.
Voiding a check that has exceeded the 45-day limit.	Wages and deductions are overstated.

In addition to agency expenditure adjustments, Non Paid Updates generate a CARS transaction increasing or decreasing payroll expenditures by the Net adjustment amount.

Transaction Codes Transaction codes appearing on Manual Pay Set screens are system assigned. Transaction code 503 is consistently used in all Manual Pay Sets to record information uniquely identifying the Manual Pay Set. The 503 line also displays the Net field, which must be adjusted in certain Manual Pay Sets.

Overview, Continued

Transaction Codes, continued

All other transaction codes identify the other EMF and TMF balances available for adjustment. The field names for these balances appear on the data entry screens under each separate transaction line. Transaction lines (i.e., available EMF/TMF balances) applicable to each transaction code are identical across the multiple Manual Pay Set data entry screens. The transaction codes used in Manual Pay Set processing, their purpose, and the screens on which they appear follow:

Trans Code	Purpose	Paid/Non Paid	Screen(s)
503	ID Manual Pay Set. Adjustments to Net pay.	Used for both Paid and Non Paid updates.	HTODA HTQTA HTPSA HTM00
400	Earnings Reclassification – Regular and overtime pay.	Used only for Non Paid updates.	HTPSA HTMPA,
500	Tax refunds or adjustments.	Used for both Paid and Non Paid updates.	HTODA HTQTA HTPSA HTMTD
550	Deduction refunds or adjustments.		HTODA HTMTD
600	Earnings Reclassification – Special Pay hours and pay.	Used only for Non Paid updates.	HTPSA HTMPA

Adjustment Indicator Field

The Adjustment Indicator field appears under the "+" field of each transaction line. Valid values and their intended purpose are described below:

Value	Action	Impacts	Paid/Non Paid
+ or **Blank**	Adds the amount to,	The employee record only.	Non Paid
-	Subtracts the amount from,		
P	Adds the amount to,	The employee record and net pay.	Paid
M	Subtracts the amount from,		

Since each Manual Pay Set must either be Paid or Non Paid, always use the + and – signs together, and the P and M letters together. Never mix the +/- signs with the P/M letters within the pay set or the pay set will reject with an appropriate error.

Overview, Continued

Balancing the Pay Set

Transactions within the pay set <u>must</u> balance. Balancing means when using a + sign on one transaction line, use a – sign on another transaction line as an offset. The same principle applies to the use of the letters P and M. This balancing rule consistently applies to all pay sets except on HTM00, HTMPA, HTMSP, and HTMTD. In this case, when voiding a payment, use a – sign on all transaction lines. The manual pay set builder (HTM00) automatically balances the transactions, and the HTMCK screen must be verified for accuracy.

Manual Pay Sets must also balance in terms of the amounts entered to adjust gross-to-net balances. Generally:
- The cumulative total of all adjustments to Regular pay, plus overtime, plus any special pays must equal Gross pay.
- The cumulative total of all adjustments to Net pay, plus tax withholdings, plus total employee-paid deductions, plus non-paid special pays must equal Gross pay. Non-paid special pays are those that are not included in net pay (e.g., imputed life). Employer-paid deductions are not included in deduction totals but must be entered if they are to be adjusted.

Also, since taxable fringe benefits (e.g., imputed life, company car, reportable meals) are added directly to Gross as employer paid benefits and do not affect Net pay, pay sets adjusting these balances will appear out-of-balance, but will process.

NET Field

The NET field appears only on the 503 transaction line. This is the amount of the adjustment to be added to, or subtracted from, net pay to ensure the gross-to-net balance is maintained within the EMF and TMF. The Net field is an EMF balance available for adjustment just like the others. However, understanding the impact of all adjustments in the pay set on the Net field is particularly important due to its sensitivity in balancing the payset and ensuring the gross-to-net balance is maintained within the employee record.

The NET amount field is typically entered only for Paid Updates on HTODA and HTQTA. The Net amount field must also be entered when voiding payments on HTMPA or when adjusting for transactions that occurred outside of CIPPS that effect the employee's net pay. In these instances, although Non Paid, entry of an amount in the NET field is often required.

Overview, Continued

NET Field, continued

When processing multiple adjustments within a transaction line, or multiple transaction lines in a single Manual Pay Set, the Net amount is the total of all adjustment amounts. However, do not include Non Paid adjustment amounts in the Net amount total when adjusting an agency-paid deduction (i.e., healthcare refund).

Note: Due to complexities associated with processing adjustment transactions involving Deduction 070 (Direct Deposit – Savings), always call DOA prior to processing.

Period Indicator Field

Proper determination of the Period Indicator is important to reduce the chances of applying the adjustment to the wrong EMF or TMF accumulated balance. The Period Indicator field appears under the "Y" field of each transaction line. Valid values and their intended purpose are described below:

Value	Description	Recommended for adjustments…
Blank	Adjust the Year, Quarter, and Month-to-Date balances.	Made during the second period of the month for an error in the first period, prior to month-end roll.
Q	Adjust the year and quarter-to-date balances only.	Made to correct current quarter balances, prior to quarter-end roll.
C	Adjust the year-to-date and the prior quarter's balances only.	To the prior quarter's balances, which is the quarter immediately preceding the current quarter. Only one prior quarter is available at any given point in time.
Y	Adjust the year-to-date balances only.	Larger than the EMF month-to-date balance, since deductions are accumulated on a month-to-date and year-to-date basis.

Keep in mind, Manual Pay Sets must be applied to a time period in which the accumulated balance available to adjust is large enough to complete the entire adjustment. Balances can never be reduced to a negative amount. If the adjustment amount is larger than the accumulated balance to be adjusted, the transaction will be deleted by the system during the nightly edit process. Period Indicator errors are displayed on the 1001, Input Listing and the 1009, Employee Diagnostics reports. To avoid these errors, a value of Y is recommended for most Manual Pay Sets.

Overview, Continued

Screenprints Prior to processing the update, review and print the following screens to facilitate the Period Indicator determination, and to compare pre and post-adjustment masterfile record balances to verify Manual Pay Set processing:

Screen ID	Screen Title
H0ATA	EMPLOYEE COMPANY PAID TAX ACCUMULATIONS
H0ATB	EMPLOYEE TAX FILE ACCUMULATIONS
H0ATC	EMPLOYEE/COMPANY OASDI TAX ACCUMULATIONS
HOATD	EMPLOYEE THIRD PARTY ACCUMULATIONS
H0ATE	EMPLOYEE TIPS ACCUMULATIONS
H0ATF	EMPLOYEE LOCAL TAX ACCUMULATIONS
H0ATG	EMPLOYEE/COMPANY HI TAX ACCUMULATIONS
H0ATH	EMP/COMPANY MED TAX ACCUMULATIONS
H0ATI	EMPLOYEE MISCELLANEOUS ACCUMULATIONS
H0BTT	EMPLOYEE FEDERAL TAX & TAXABLE AMOUNTS
H10SA	EMPLOYEE SPECIAL PAY ACCUMULATIONS
H0BPA	EMPLOYEE PAY ACCUMULATION
H0ZDC	EMPLOYEE DEDUCTIONS

Tracking the Process Once Manual Pay Sets are entered and edited, transactions appear in Pending File and are applied to the TMF. After certification and processing with the employee's Regular pay, the EMF is also updated. This means that until the Manual Pay Set appears on the final Report 10, it has not completed processing. Transactions "in-process" appear on the following reports:

Number	Title	Number	Title
1006, 1010	Change Listings	1009	Employee Diagnostics
1001	Input Transaction Listing	1004	Transaction Balance
1017	Updated Pending Transactions	10	Edit-Payroll and Deduction Register

See CAPP Topic 50810, *Pre Certification Activities*, for more information.

Manual Pay Set Deletions If the pay set is determined to be invalid after edit but prior to certification, it cannot be deleted using the BFM process because the TMF has already been updated. Instead, another pay set must be entered reversing the original entry.

Adjustments to OASDI and HI Earnings Adjustments affecting OASDI and HI earnings balances cause automatic withholding or refunding of the associated withholding taxes. Therefore, never adjust the OASDI and HI tax balances unless voiding a payment.

Deduction Refund/Adjustment Processing
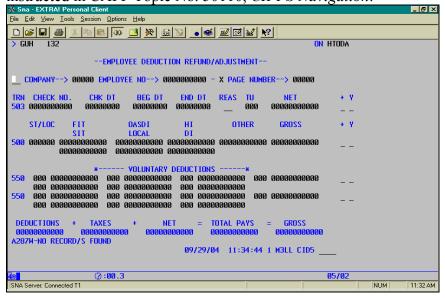
Introduction   Use the following procedures to make adjustments to agency- or employee-paid deduction balances. Employee-paid deduction adjustments can be Paid or Non Paid. Agency-paid deduction adjustments are always Non Paid, except when adjusting an agency-paid deduction in the same pay set as a Paid Update for an employee-paid deduction (i.e., healthcare refund).

Form Preparation   In addition to making the applicable screenprints outlined in the Overview, completing the Deduction Refund Form (PR-7) prior to entering the adjustment online is recommended. The fields on this form correspond to the fields on the data entry screen. Although use of this form is optional, it can facilitate data entry and serve as a source document for the transaction entered. Copies of this form are available on the DOA website at www.doa.virginia.gov.

HTODA   Access HTODA, Employee Deduction Refund/Adjustment screen, as instructed in CAPP Topic No. 50110, *CIPPS Navigation*.

> ***COMPANY***   Enter the employee's assigned agency number.

Deduction Refund/Adjustment Processing, Continued

HTODA, Continued

EMPLOYEE NO   Enter the assigned employee number.

PAGE NUMBER   Enter a page number, starting with page one and number each page consecutively.

503 Line

CHECK NO *(Required)*   Enter a unique 10-character payment adjustment number. May be the actual check number or a unique number determined by the agency.

CHK DT, BEG DT, END DT *(Required)*   Enter valid dates in MMDDYYYY format. Although these fields are required, any dates meaningful to the agency may be used.

REAS, TU   Currently not used.

NET *(Required for Paid Updates)*   Enter the total amount of the adjustment(s) to be added to Net pay. **Note:** Refer to the important section in the Overview for more information.

+ *(Required)*   **Adjustment Indicator** - Enter the type of adjustment needed. Use the offsetting sign or letter from that used on the 550 transaction line.

Value	Paid/ Non Paid	Description
+ or **Blank** -	Non Paid	For balancing only. Used when no Net amount is entered for Non Paid Updates.
P	Paid	Adds the Net amount entered to the employee net pay.
M		Subtracts the Net amount entered from the employee net pay.

Note: Refer to the important section in the Overview cautioning against mixing +/- and P/M values, and highlighting the importance of balancing +/- and P/M transaction lines within each pay set.

Deduction Refund/Adjustment Processing, Continued

HTODA,
503 Line, continued

Y
(Required)
Period Indicator – Enter the value indicating the accumulation fields to adjust. Each transaction line must be the same.

Value	Description
Blank	Adjust the Year, Quarter, and Month-to-Date fields.
Q	Adjust the year and quarter-to-date fields only.
C	Adjust the year-to-date and prior quarter fields only.
Y	Adjust the year-to-date fields only.

Note: A value of Y is recommended.

500 Line   Not used for deduction refunds/adjustments.

550 Line   *NO*
(Required)
Deduction Number - Enter a value from 001 to 250 to identify the deduction number being adjusted.

AMOUNT
(Required)
Enter the amount of the adjustment for the deduction indicated in the Deduction Number field.

Note: Multiple deduction numbers and amount fields can be used for different deductions. Also, the total of all deduction amounts in the pay set (excluding employer-paid deduction adjustments processed with Paid Updates) must equal the Net pay amount on the 503 line.

+
(Required)
Adjustment Indicator - Enter the type of adjustment needed. Use the offsetting sign or letter from that used on the 503 transaction line.

Value	Paid/ Non Paid	Purpose
+ or **Blank**	Non Paid	Adds the deduction Amount entered to the employee record.
-		Subtracts the deduction Amount entered from the employee record.
P	Paid	Adds the deduction Amount entered to the employee net pay.
M		Subtracts the deduction Amount entered from the employee net pay.

Deduction Refund/Adjustment Processing, Continued

Note: Refer to the important section in the Overview cautioning against mixing +/- and P/M values, and highlighting the importance of balancing +/- and P/M transaction lines within each pay set.

Y
(Required)
Period Indicator – Enter the same value on the 550 transaction line as entered on the 503 transaction line.

HTODA Control Balancing

Control balancing for deduction adjustments is displayed at the bottom of HTODA after pressing "Enter". The system will indicate if the transactions balance. If the transactions are out-of-balance, an error message will display. If the errors are not corrected, they will be rejected during the nightly edit process and appear on Reports 1001 or 1009.

Keep in mind, for employee-paid deduction refunds, the total deduction amount(s) on the 550 transaction line(s) must equal the Net pay amount on the 503 transaction line. Agency-paid deduction adjustments are not included in the balancing process when adjusted in the same pay set as a Paid Update to employee-paid deductions (i.e., healthcare).
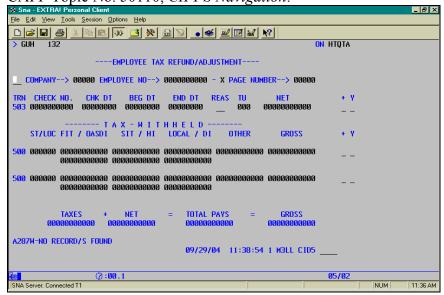
Tax Refund/Adjustment Processing

Introduction and Form Preparation

Use the following procedures to make adjustments to payroll tax balances. Tax adjustments can either be Paid or Non-paid.

In addition to making the applicable screenprints outlined in the Overview, completing the Tax Refund Form (PR-8) prior to entering the adjustment online is recommended. The fields on this form correspond to the fields on the data entry screens. Although use of this form is optional, it can facilitate data entry and serve as a source document for the transaction entered. Copies of this form are available on the DOA website at www.doa.virginia.gov.

HTQTA

Access HTQTA, Employee Tax Refund/Adjustment screen as instructed in CAPP Topic No. 50110, *CIPPS Navigation*.

COMPANY   Enter the employee's assigned agency number.

EMPLOYEE NO   Enter the assigned employee number.

PAGE NUMBER   Enter the page number, starting with page one and number each page consecutively.

Tax Refund/Adjustment Processing, Continued

HTQTA, 503 Line	***CHECK NO (Required)***	Enter a unique 10-character payment adjustment number. May be the actual check number or a unique number determined by the agency.
	CHK DT, BEG DT, END DT (Required)	Enter valid dates in MMDDYYYY format. Although these fields are required, any dates meaningful to the agency may be used.
	REAS, TU	Currently not used.
	NET (Required for Paid Updates)	Enter the total amount of the adjustment(s) to be added to Net pay. **Note:** Refer to the important section in the Overview for more information.
	+ (Required)	**Adjustment Indicator** - Enter the type of adjustment needed. Use the offsetting sign or letter from that used on the 500 transaction line.

Value	Paid/ Non Paid	Description
+ or **Blank** -	Non Paid	For balancing only. Used when no Net amount is entered for Non Paid Updates.
P	Paid	Adds the Net amount entered to the employee net pay.
M		Subtracts the Net amount entered from the employee net pay.

Note: Refer to the important section in the Overview cautioning against mixing +/- and P/M values, and highlighting the importance of balancing +/- and P/M transaction lines within each pay set.

Tax Refund/Adjustment Processing, Continued

**HTQTA,
503 Line, continued**

*Y
(Required)*

Period Indicator – Enter the value indicating the appropriate accumulation fields to adjust. The Period Indicator must be the same for each transaction line.

Value	Description
Blank	Adjust the Year, Quarter, and Month-to-Date fields.
Q	Adjust the year and quarter-to-date fields only.
C	Adjust the year-to-date and prior quarter fields only.
Y	Adjust the year-to-date fields only.

Note: A value of Y is recommended.

500 Line

ST/L

State/Local Tax Codes – Defaults to Virginia. If adjusting state taxes other than Virginia, Enter the state and local codes to be adjusted. When both State and local taxes apply to the payset, both codes must be provided.

*FIT/
OASDI*

Federal Withholding Tax - Enter the amount of Federal Income Tax to be adjusted.

OASDI TAX - CIPPS self-adjusts FICA taxes. Contact Payroll/Benefits Accounting at DOA for assistance.

*SIT/,
HI*

State Withholding Tax - Enter the amount of State Income Tax to be adjusted.

HI Tax - CIPPS self-adjusts FICA taxes. Contact Payroll/Benefits Accounting at DOA for assistance.

*LOCAL/
DI*

Local Tax Withholding - Enter the amount of local tax to be adjusted, if applicable, and ensure local code under ST/L field is entered.

Disability Tax Withholding – Not applicable in Virginia. If applicable, enter the amount of disability tax to be adjusted.

Tax Refund/Adjustment Processing, Continued

500 Line (continued)

OTHER   Enter the amount of special local tax to be adjusted, if applicable.

GROSS   Not entered for tax refunds/adjustments.

+   **Adjustment Indicator** - Enter the type of adjustment needed.
(Required)   Use the offsetting sign or letter from that used on the 503 transaction line.

Value	Paid/ Non Paid	Purpose
+ or **Blank**	Non Paid	Adds the tax adjustment amount entered to the employee record.
-		Subtracts the tax adjustment amount entered from the employee record.
P	Paid	Adds the tax adjustment amount entered to the employee net pay.
M		Subtracts the tax adjustment amount entered from the employee net pay.

Note: Refer to the important section in the Overview cautioning against mixing +/- and P/M values, and highlighting the importance of balancing +/- and P/M transaction lines within each pay set.

HTQTA Control Balancing

Control balancing is displayed at the bottom of HTQTA after pressing "Enter." If the fields are out-of-balance, an error message will display and if not corrected, the pay set will be rejected during the nightly edit process and appear on Reports 1001 or 1009.

Keep in mind, for employee-paid tax adjustments, the total deduction amount(s) on the 500 transaction line(s) must equal the Net pay amount on the 503 transaction line.

Earnings Reclassification

Introduction   Earnings reclassifications are Non Paid Updates to adjust employee earnings paid in prior periods. Earnings reclassifications typically transfer amounts from a special pay accumulator to Regular pay, or vice versa, facilitating accurate earnings reporting at year-end. For example, if an employee is paid regular earnings and a portion of those earnings should have been paid as workers' compensation; use HTPSA to make the adjustment. The +/- signs are used in the Adjustment Indicator field since earnings reclassifications are Non Paid Updates (i.e., no effect on net pay).
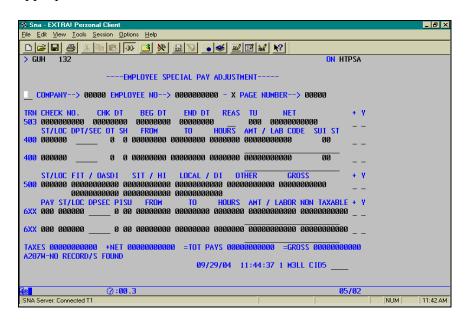
Balancing   Transaction balancing is automatic on HTPSA with totals displaying on the bottom line of the screen. If the pay set is out-of-balance, the message will appear on the lower left portion of the screen. When this occurs, research the error to determine if it is valid. Remember, although certain special pay adjustments (i.e., Reportable Meals, Company Vehicle, or Imputed Life) will appear out-of-balance, they will still process.

Earnings Reclassification, Continued

HTPSA   Access HTPSA by completing the Command Line and entering the appropriate subcommand.

COMPANY	Enter the employee's assigned agency number.
EMPLOYEE NO	Enter the assigned employee number.
PAGE NUMBER	Enter the page number, starting with page one and number each page consecutively.

503 Line

CHECK NO (Required)	Enter a unique 10-character payment adjustment number. May be the actual check number or a unique number determined by the agency.
CHK DT, BEG DT, END DT (Required)	Enter valid dates in MMDDYYYY format. Although these fields are required, any dates meaningful to the agency may be used.
REAS, TU	Currently not used.
NET	Not used for Earnings Reclassifications.

Continued on next page

Earnings Reclassification, Continued

**HTPSA,
503 Line, continued**

+
(Required)
Adjustment Indicator - Enter the offsetting sign (+/-) from that used on the 400, 500, and/or 600 transaction line(s). Since no Net amount is entered on HTPSA, no amount is added or subtracted. However, a + or – sign must be entered to balance the pay set.

Y
(Required)
Period Indicator – Enter the value indicating the accumulation fields to adjust. Each transaction line must be the same.

Value	Description
Blank	Adjust the Year, Quarter, and Month-to-Date fields.
Q	Adjust the year and quarter-to-date fields only.
C	Adjust the year-to-date and prior quarter fields only.
Y	Adjust the year-to-date fields only.

Note: A value of Y is recommended.

400 Line
ST/LOC
Enter the valid state and local codes to be adjusted if overriding those established on H0BAD (Employee Taxing Information). If not entered, they default to the employee's 1ST Work State and 1ST Work Local fields.

DPT SEC
Enter the department and or section if overriding those on H0BID.

OT
Overtime - Enter the applicable value to adjust overtime.

Value	Description
1	Overtime 1 (straight time)
2	Overtime 2 (time and one half)

SH
Shift Hours - Enter applicable value to adjust shift.

Value	Description
0 or 1	Shift 1
2	Shift 2
3	Shift 3

Continued on next page

Earnings Reclassification, Continued

HTPSA,
400 Line, continued

DATE FROM and TO   Enter the period beginning date and end date only if different from the BEG DT and END DT entered on the 503 line. Generally not used.

HOURS   Enter the number of regular hours to adjust.

SALARY/ AMOUNT   Enter the Amount or Salary to adjust.

SU ST   Enter an alternate state code if the SUI State code on the H0BAD screen is to be overridden.

LABOR DISTRIB CODE   Currently not used.

+
(Required)   **Adjustment Indicator** - Enter the type of adjustment needed.

Value	Non Paid	Description
+ or **Blank**	Non Paid Only	Adds the amount entered on the Salary/Amount field to the employee record.
-		Subtracts the amount entered on the Salary/Amount field from the employee record.

Note: Refer to the important section in the Overview cautioning against mixing +/- values, and highlighting the importance of balancing +/- transaction lines within each pay set.

Y
(Required)   **Period Indicator –** Enter the same value on the 500 transaction line as entered on the 503 transaction line.

Earnings Reclassification, Continued

HTPSA, 500 Line

ST/LOC   Enter the valid state and local codes to be adjusted if overriding those established on H0BAD (Employee Taxing Information). If not entered, they default to the employee's 1ST Work State and 1ST Work Local fields.

FIT/ OASDI   **Federal Withholding Tax -** Enter the amount of Federal Income Tax to be adjusted.

   OASDI Tax - CIPPS self-adjusts FICA taxes. Contact DOA for assistance

SIT/ HI   **State Withholding Tax -** Enter the amount of State Income Tax to be adjusted.

   HI Tax - CIPPS self-adjusts FICA taxes. Contact DOA for assistance.

LOCAL/ DI   **Local Tax Withholding -** Enter the amount of local tax to be adjusted, if applicable, and ensure local code under ST/L field is entered.

   Disability Tax Withholding – Not applicable in Virginia. If applicable, Enter the amount of disability tax to be adjusted.

OTHER   Enter the amount of special local tax to be adjusted, if applicable.

GROSS   Enter the amount of the Gross pay adjustment. Typically entered only when adjusting for disbursement/receipt of a check outside of CIPPS (except when adjusting employer provided fringe benefits). The Gross field must equal the sum of all adjustment amounts (excluding employer-paid deductions) entered on the 400, 500 and 600 transaction lines.

Earnings Reclassification, Continued

**HTPSA,
500 Line, continued**

+
(Required)

Adjustment Indicator - Enter the type of adjustment needed.

Value	Paid/ Non Paid	Purpose
+ or **Blank**	Non Paid	Adds the tax adjustment amount(s) entered to the employee record.
-		Subtracts the tax adjustment amount(s) entered from the employee record.

Note: Refer to the important section in the Overview cautioning against mixing +/- and P/M values, and highlighting the importance of balancing +/- and P/M transaction lines within each pay set.

*Y
(Required)*

Period Indicator – Enter the same value on the 500 transaction line as entered on the 503 transaction line.

600 Line

PAY Enter the three-digit special pay number to be adjusted.

ST/LOC Enter the state and local codes for this adjustment.

DPSEC Enter the department/section code to override the current values on H0BID.

PI Currently not used.

SU Enter an alternate state code if the SUI State code on the H0BAD screen is to be overridden..

*DATE FROM
and TO* Enter the period beginning date and end date only if different from the BEG DT and END DT entered on the 503 line. Generally not used.

HOURS Enter the number of special pay hours to be adjusted.

Earnings Reclassification, Continued

**HTPSA,
600 Line, continued**

AMOUNT/ *LAB CODE*	**Amount -** Enter the amount of the special pay adjustment. **Labor code** - Currently not used.
NONTAXABLE	Enter if the amount of the adjustment to be updated as non-taxable amount even though the special pay is set up on the system as a taxable special payment. Contact DOA for assistance.

+
(Required)   **Adjustment Indicator** - Enter the type of adjustment.

Value	Paid/Non Paid	Purpose
+ or **Blank**	Non Paid	Adds hours or amount(s) entered to the employee record.
-		Subtracts hours or amount(s) entered from the employee record.

Note: Refer to the important section in the Overview cautioning against mixing +/- and P/M values, and highlighting the importance of balancing +/- and P/M transaction lines within each pay set.

Y
(Required)   **Period Indicator –** Enter the same value on the 600 transaction line as entered on the 503 transaction line.

Gross-to-Net Adjustments

Introduction to Manual Pay Builder

The screens previously introduced, HTODA, HTQTA and HTPSA, are condensed to focus attention on particular transactions that can easily be adjusted on a single screen. A Manual Pay Builder application should be used to process Non Paid Updates, such as manual voids, which update gross-to net balances in the EMF and TMF. The screens covered in this section (HTM00, HTMPA, HTMSP, HTMTD, and HTMCK) contain all of the previously introduced Manual Pay Set transaction codes (i.e. 503, 400, 500, 550, and 600).

Examples

These screens are most commonly used to manually update employee records for activity occurring outside CIPPS, such as:

- To record a personal check from an employee due to an overpayment.
- To manually adjust for an erroneous check that was not returned to DOA in time to use the void check process.

Manual Voids Using Manual Pay Screens

Manual Voids are NON PAID updates since no money is paid to the employee. When manually voiding payments, enter all pay information from the check stub or payroll report 10 into the appropriate fields on HTM00, HTMPA, HTMSP, HTMTD:

- For 503 and 550 lines, refer to Non Paid Update data entry guidelines and field definitions for HTODA; for 400, 500, and 600 lines, refer to HTPSA.
- One exception to the data entry guidelines referenced above is that you must use a – in all Adjustment Indicator fields to reverse all applicable entries from the employee's record.
- Contact DOA if the void involves deductions for bonds, deferred compensation, flex spending and/or any third party vendors.
- Deposit the check to be voided as an expenditure credit to the same programmatic coding as the original gross payroll expenditure

Gross-to-Net Adjustments, Continued

To process the Manual Void correctly and ensure it is reported on the final pay report 10 generated from the certification, the employee must:

- Remain in an 'active' status on H0BES (a value of 1).
- The employee's pay frequency must be certified.

If the manual void is for a terminated employee, also enter a value of 0 (indicating "non-auto") in the Time Card Status field on H0BID to ensure the employee is non-automatic and no regular pay check is generated upon certification. The employee status on H0BES must be a value of "1" (i.e., active).
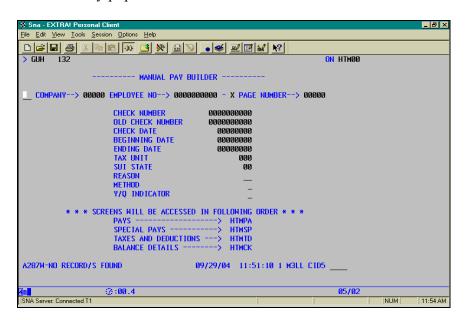
Once the payroll processes and checks/earnings notices are generated, the employee may be terminated if applicable. Reference CAPP Topic 50320, *Terminations,* for further instructions on the termination process.

Gross-to-Net Adjustments, Continued

HTM00   The HTM00 and associated data screens HTMPA (Regular Pays), HTMTD (Taxes & Deductions), HTMSP (Special Pays) and HTMCK (Manual Pay Summary) are used to record payments that were issued manually to employees, or to complete manual voids.

The HTM00 screen records check information, pay period dates, the tax unit, reason code, and year-quarter indicators. It is the online equivalent of the 503 transaction. Gross and Net Pay will be calculated as the manual pay set is built with the HTMPA, HTMSP, HTMTD and displayed on the HTMCK. This ensures that the manual pay set is in balance. Automatic linking to the remaining Manual Pay Builder screens will occur once the HTM00 has been completed. Initial data entry on the HTM00 requires a subcommand of "I". (Subsequent activity on HTM00 will require a subcommand of "R".) As the manual pay builder links to the remaining screens, a subcommand of "R" will automatically populate.

CHECK NO (Required)   Enter a unique 10-character payment adjustment number. May be the actual check number or a unique number determined by the agency.

OLD CHECK NUMBER   Enter the old check number if applicable.

Gross-to-Net Adjustments, Continued

(continued)

CHK DT,
BEG DT,
END DT
(Required)
Enter valid dates in MMDDYYYY format. Although these fields are required, any dates meaningful to the agency may be used.

TAX UNIT
Enter 001 or leave blank.

SUI STATE
Enter an alternate state code if the SUI State code on the H0BAD screen is to be overridden..

REASON
Currently not used.

METHOD
Currently not used.

Y
(Required)
Period Indicator – Enter the value indicating the accumulation fields to adjust. Each transaction line must be the same.
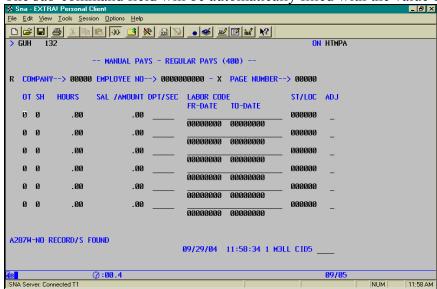
Value	Description
Blank	Adjust the Year, Quarter, and Month-to-Date fields.
Q	Adjust the year and quarter-to-date fields only.
C	Adjust the year-to-date and prior quarter fields only.
Y	Adjust the year-to-date fields only.

Upon pressing 'Enter', a link to HTMPA (manual pays – regular pays) will occur.

Gross-to-Net Adjustments, Continued

HTMPA   The HTMPA screen is used to adjust pays or hours for overtime, shift and regular pay(s). It is the online data entry equivalent of the 400 transaction. The sub-command field will be automatically filled with the value of "R".

OT   **Overtime -** Enter the applicable value to adjust overtime.

Value	Description
1	Overtime 1 (straight time)
2	Overtime 2 (time and one half)

SH   **Shift Hours -** Enter applicable value to adjust shift.

Value	Description
0 or 1	Shift 1
2	Shift 2
3	Shift 3

HOURS   Enter the number of regular hours to adjust.

SALARY/ AMOUNT   Enter the Amount or Salary to adjust.

Continued on next page

Gross-to-Net Adjustments, Continued

DPT/SEC   Enter values to override the values on H0BID. Generally left blank.

LABOR CODE   Currently not used.

FR DATE/   Enter the period beginning date and end date only if
TO DATE   different from the BEG DT and END DT entered on the 503 line. Generally not used.

ST/LOC   Enter the valid state and local codes to be adjusted if overriding those established on H0BAD (Employee Taxing Information). If not entered, they default to the employee's 1ST Work State and 1ST Work Local fields. Generally not used.

+
(Required)   **Adjustment Indicator** - Enter the type of adjustment needed.

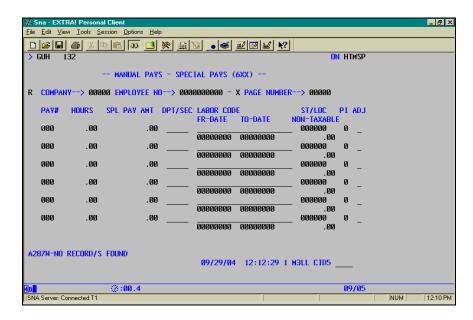| Value	Non Paid	Description
+ or **Blank**	Non Paid Only	Adds the amount entered on the Salary/Amount field to the employee record.
-		Subtracts the amount entered on the Salary/Amount field from the employee record.

Upon pressing 'Enter', a link to HTMSP (manual pays – special pays) will occur.

Gross-to-Net Adjustments, Continued

HTMSP   The HTMSP screen is used to adjust Special Pay hours and pay. It is the online data entry equivalent of the 600 transaction. The sub-command field will be automatically filled with the value of "R".

PAY   Enter the three-digit special pay number to be adjusted.

HOURS   Enter the number of special pay hours to be adjusted.

AMOUNT   Enter the amount of the special pay adjustment.

DPT/SEC   Enter the department/section code to override the current values on H0BID. Generally left blank.

LABOR CODE/   Currently not used.

FR DATE/ TO DATE   Enter the period beginning date and end date only if different from the BEG DT and END DT entered on the 503 line. Generally not used.

Continued on next page

Gross-to-Net Adjustments, Continued

(continued)

ST/LOC   Enter the valid state and local codes to be adjusted if overriding those established on H0BAD (Employee Taxing Information). If not entered, they default to the employee's 1ST Work State and 1ST Work Local fields. Generally not used.

NONTAXABLE   Enter if the amount of the adjustment to be updated as non-taxable amount even though the special pay is set up on the system as a taxable special payment. Generally not used. Contact DOA for assistance.

PI   Not used at this time.

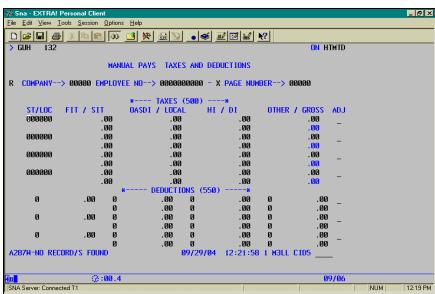**ADJ (Required)**   **Adjustment Indicator** - Enter the type of adjustment.

Value	Paid/Non Paid	Purpose
+ or **Blank**	Non Paid	Adds hours or amount(s) entered to the employee record.
-		Subtracts hours or amount(s) entered from the employee record.

Upon pressing 'Enter', a link to HTMTD (manual pays – taxes and deductions) will occur.

HTMTD   The HTMTD screen is used to record the taxes and deductions withheld associated with the manual void. This screen is the online data entry equivalent of the 500 and 550 transactions. Gross Pay will be automatically updated by the system. If you entered multiple state/local codes on HTMPA and HTMSP, the Gross pay associated with each will be displayed. The sub-command field will be automatically filled with the value of "R".

Gross-to-Net Adjustments, Continued

ST/L   Enter the valid state and local codes to be adjusted if overriding those established on H0BAD (Employee Taxing Information). If not entered, they default to the employee's 1ST Work State and 1ST Work Local fields. Generally not used.

FIT/ SIT   **Federal Withholding Tax -** Enter the amount of Federal Income Tax to be adjusted.

State Withholding Tax - Enter the amount of State Income Tax to be adjusted.

OASDI/ LOCAL   **OASDI TAX -** CIPPS self-adjusts FICA taxes. DO NOT ENTER. Contact DOA for assistance.

Local Tax Withholding - Enter the amount of local tax to be adjusted, if applicable, and ensure local code under ST/L field is entered.

Gross-to-Net Adjustments, Continued

(continued)

HI/ *DI*	**HI Tax -** CIPPS self-adjusts FICA taxes. DO NOT ENTER. Contact DOA for assistance.
	Disability Tax Withholding – Not applicable in Virginia. If applicable, enter the amount of disability tax to be adjusted.
OTHER/ *GROSS*	**Other -** Enter the amount of special local tax to be adjusted, if applicable.
	GROSS – Gross is automatically filled. No data entry required.
ADJ *(Required)*	**Adjustment Indicator** - Enter the type of adjustment.

Value	Paid/Non Paid	Purpose
+ or **Blank**	Non Paid	Adds hours or amount(s) entered to the employee record.
-		Subtracts hours or amount(s) entered from the employee record.

Upon pressing 'Enter', a link to HTMCK (manual pay summary) will occur.

Balancing Guidelines

The Manual Pay Set is balanced on the HMCK screen and must be verified. When verifying HTMCK, follow these guidelines:

- The cumulative total of all adjustments to Regular pay, overtime, and any special pays must equal Gross pay.
- The cumulative total of all adjustments to Net pay, tax withholdings, total employee-paid deductions, and non-paid special pays must equal Gross pay. Non-paid special pays are those that are not included in net pay (e.g., imputed life). Employer-paid deductions are not included in deduction totals but must be entered if they are to be adjusted.

Continued on next page

Gross-to-Net Adjustments, Continued

HTMCK   The HTMCK screen automatically displays when manual pay processing is completed. It contains information for the manual pay entered on the HTM00, HTMPA, HTMSP, and HTMTD screens, including:
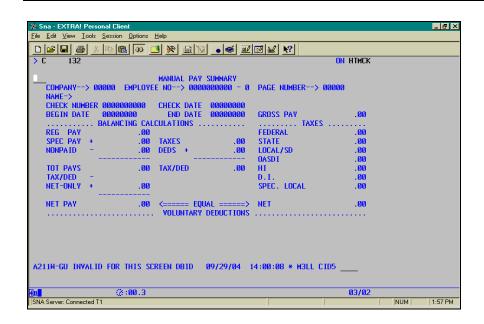
- ♦ Gross pay
- ♦ Deductions
- ♦ Taxes
- ♦ Special payments
- ♦ Net pay.

The HTMCK is final screen of the manual pay builder sequence. Enter must be pressed once more to complete the process. This will return you to the HTM00.

If changes to an existing manual pay set are required:

- ♦ Access the HTM00 (Online Check Calculation) screen for the existing record.
- ♦ Enter an R in the subcommand field and resolve any errors you made when you entered the check specifications.
- ♦ Press Enter: The pre-established linking pattern will be invoked. An 'R' will populate update subcommand. If changes are made to amounts on the manual pay screens (HTMPA, HTMSP, HTMTD), Gross and Net Pay will be recalculated and will be presented on HTMCK screen.
- ♦ Once completing any changes, verify the new totals on the HTMCK screen for accuracy. Once the changes are verified, press enter again to complete the manual pay set sequence.

Gross-to-Net Adjustments, Continued

Internal Control

Internal Control   Before entering a manual pay set, ensure proper documentation (i.e. memorandums, authorizations) has been received and approved by appropriate parties. This is critical to verification and certification of the payroll entries. Once the manual pay set has processed verify the results to ensure the entries processed as expected.

Records Retention

Time Period   All source documents are retained for 5 years or until audited, whichever is later.

Contacts

DOA Contact   Manager, State Payroll Operations
Voice: (804) 225-2245
E-mail: Payroll @doa.virginia.gov

Payroll Business Analyst/Trainer
Voice: (804) 225-3120 or (804) 225-3079
E-mail: Payroll @doa.virginia.gov

Subject Cross References

References   CAPP Topic 50110, *CIPPS Navigation*
CAPP Topic 50320, *Termination*
CAPP Topic 50605, *Tax and Deduction Overrides*
CAPP Topic 50810 *Pre Certification Activities*